

Exhibit “F”

**STAMBAUGH'S AIR SERVICES, INC. v. SARAA
ANALYSIS OF PLAINTIFF'S FINANCIAL
CONDITION AND FACTORS IMPACTING
THE BUSINESS VALUE**

July 16, 2007

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July 16, 2007

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Harrisburg, Pennsylvania 17108-1146

Re: Stambaugh v. SARAA

Dear Mr. Piermattei:

Introduction

You have asked us to assist you in the case of Stambaugh's Air Service, Inc., v. Susquehanna Area Regional Airport Authority, BAA Harrisburg, Inc., David Fleet, individually, David Holdsworth, individually, and David C. McIntosh, individually, hereinafter referred to as Stambaugh and SARAA, respectively. More specifically, you ask us to (1) assess the financial condition of Stambaugh at December 31, 1999, in and of itself, and in comparison to Piedmont/Hawthorne Holdings, Inc. and Subsidiaries (Piedmont) and Aero Services International, Inc. (Aero) financial statements that were provided and (2) review various documents, copies of which you provided, and other documents we deemed relevant, as to how the information therein might impact the value of Stambaugh at December 31, 1999.

This is our report on our analysis of the financial condition of Stambaugh and items impacting the value of Stambaugh. The appendices to this report include Exhibit 1, which is a listing of all of the documents that we have reviewed. All of my opinions expressed herein are to a reasonable degree of accounting certainty.

Summary

We have concluded, and our following analysis demonstrates, that Stambaugh's financial condition was very poor as of December 31, 1999, and had been deteriorating for many years before that date. Stambaugh's financial condition at that date was inferior to that of Piedmont. In addition, there were many factors about Stambaugh and the air traffic market

at the time that served to adversely impact the value of Stambaugh to a significant degree. Our discussion of those factors follows in this report

Analysis of Stambaugh Air Services, Inc. financial
condition at December 31, 1999

We reviewed and analyzed the historic financial statements of Stambaugh for the years 1995 through 2003 (Exhibits 2, 3, and 4), Piedmont (Exhibits 5 and 6), and Aero (Exhibits 7 and 8). These statements were compiled and/or audited by accounting firms and/or persons other than Kern and Company, P.C.

- In Exhibit 9, we have done a horizontal analysis of Stambaugh's balance sheets for the years ended December 31, 1995 through December 31, 2003. Financial statements for the year ended December 31, 2001 were not made available to us. The horizontal analysis consisted of expressing each category of assets as a percentage of total assets and each element of liabilities and equity as a percentage of the total thereof.
- In Exhibit 10, we have presented a comparison of Stambaugh's income statements for the years ended December 31, 1995 through December 31, 2000, including changes in retained earnings consisting of profits, losses, and dividends paid to the owner(s).
- Exhibit 11 compares Stambaugh's changes (borrowings and repayments) in debt to banks and payments to (advances and dividends) and proceeds received from the shareholder.
- Exhibit 12 shows trends in key liquidity and leverage ratios of Stambaugh and a comparison of those ratios with the airport services industry—the industry as a whole and for airport service companies in the same asset and revenue size as Stambaugh as of December 31, 2000.
- Exhibit 13 shows the same trends and comparisons, excluding Stambaugh's largest single asset which we deem to be without value in these circumstances.
- Exhibit 14 compares the key liquidity and leverage ratios of Stambaugh, Piedmont, and Aero as of December 31, 1999.
- Exhibit 15 compares the percentage of each asset relative to total assets, each liability and element of equity relative to the total, each major element of income statements at or near the end of 1999 for Stambaugh, Piedmont, and Aero. Stambaugh data is shown with and without the receivable from shareholder.
- Exhibit 16 is a schedule that shows the adjustment we made to Stambaugh's historic balance sheets to remove the receivable from shareholder, reclassifying it as a distribution of equity. The adjusted balance sheets are the basis for the ratios in Exhibits 13, 14, and 15.

(1) As noted above, Exhibits 13, 14, 15, and 16 refer to what is referred to as a note receivable from shareholder on the balance sheets of Stambaugh. The footnotes to Stambaugh's audited financial statements for December 31, 2000 and for prior years describe this note receivable as "Note receivable, stockholder, is an unsecured, noninterest-bearing note which has no established maturity or repayment terms. The note balance represents the net position of advances to and from the shareholder." The note balance grew from 29.7% of

total assets at December 31, 1995 to a high of 52.5% at December 31, 1999, and was above 40.0% in all years after 1995. In other words, nearly half of the total assets of the business were not actually being used in the operation of the business. In footnote 8 to the Liquidation Analysis, February 29, 2004, part of Exhibit G to the Disclosure Statement (as Modified March 5, 2004) In the United States Bankruptcy Court For The Middle District Of Pennsylvania it is described as, "The common shareholder of Stambaugh Air Service, Inc. and Stambaugh Air, Inc. is obligated to the Debtor for \$3,461,543. This is the result of advances between the shareholder and the debtor over many years. The stock of Stambaugh Air Services, Inc. and Stambaugh Air, Inc. is a major portion of the net worth of the Shareholder. Management has assumed that if the debtor is in liquidation the Shareholder will be insolvent and the Note Receivable from Shareholder has been appropriately valued at \$0." We believe that this disclosure at February 29, 2004, although after December 31, 1999, reinforces the notion that the asset is not to have been viewed as a viable economic resource at anytime after December 31, 1999.

(2) Exhibit 9 indicates, as noted above, that the receivable from shareholder discussed in the prior paragraph represented in excess of 40% of Stambaugh's total assets from 1996 through 2003. The company's equity in those same years was about 50% to 61% of the total. Given the lack of value in this asset in terms of assets available to sustain operations and generate profit, Stambaugh's shareholder's equity is equally overstated. This means that the company was, in effect, greatly overleveraged from at least 1995 through 2003. The Shareholder, Mark Stambaugh, contributed in large part to Stambaugh Air Services, Inc.'s ultimate declaration of bankruptcy by extracting large sums of money as noted above. This worsened poor cash flow in addition to the failure to collect several large receivables (in excess of \$800,000 for the U.S. Marshall Service and in excess of \$800,000 for the International Air Lease). The Company was forced into bankruptcy. There is no indication in the bankruptcy filings that the bankruptcy was in any way caused by the Company's inability to provide FBO services. I believe Stambaugh Air Services, Inc. would have gone into bankruptcy regardless of its inability to provide FBO services.

(3) Exhibit 10 reveals a somewhat erratic, but nonetheless negative, trend in revenues from 1995 through 2000. In that same period of time gross profit was erratic and not necessarily in proportion to sales. General and administrative expenses are similarly erratic and disproportionate. This indicates an ongoing inability of the company to control costs and expenses. Operating profit, referred to as (Loss) Before Other Income (Expenses) in this exhibit, is erratic and marginal. 1995 shows only about three tenths of one percent gross profit on over \$17 million dollars in revenue. The net profit that year was due only to settlements with the U. S. Navy and an insurance company, recoveries of prior years' losses and expenses.

(4) Exhibit 11 shows that in 1995, when operating profit was minimal, \$120,000 was paid to shareholders as dividends. And in 1996, the year following the large settlements, \$1,698,563 was distributed to the shareholders in dividends and increased advances to the shareholder.

(5) Exhibits 12, 13, 14, and 15 contain ratios from the Risk Management Association (RMA) Database. This is a database widely used by banks and creditors in the analysis of debtor customers. RMA provides the ratios by industry, in this case airport services, and by industry subgroups based on sales volume and asset size. Exhibit 12 shows the Current Ratio (current assets divided by current liabilities) and Quick Ratio (current assets less inventory divided by current liabilities). Both ratios measure liquidity—the ability to satisfy current debt. Ideally, neither ratio should fall below 1.0. Stambaugh's ratios were in a downward trend and in 2000 below industry averages. Stambaugh's ratio of Sales/Working Capital is, after 1995, far greater than the industry or even negative, indicating what is called "over trading". This means that the company is stretched too thin and in need of capital infusions to sustain or grow sales. Stambaugh's # Days Sales in Accts. Rec. is, after 1995, much greater and almost double the industry. This means that the company is doing a relatively poor job of collecting and managing the accounts receivable. These exhibits also show two leverage ratios, Net Fixed Assets/Net Worth and Total Liabilities/Net Worth. Leverage ratios indicate a company's ability to borrow. Ideally the Total Liabilities/Net Worth ratio should stay below 5.0 and never be negative. Stambaugh's ratios of Net Fixed Assets/Net Worth indicate that Stambaugh has far less invested in fixed assets relative to equity. Most likely the cause is aging fixed assets or greater use of leased assets by Stambaugh. In terms of Total Liabilities/Net Worth, Stambaugh appears to be in line with or better than the industry (see item 6 below).

(6) Exhibit 13 shows the same ratios as Exhibit 12, except that we have adjusted Stambaugh's net worth downward to reflect the reclassification of the note receivable from shareholder discussed in item (1) above. The note receivable was not a current asset, so Stambaugh's liquidity ratios did not change. However, the reclassification of the note receivable from shareholder significantly reduces Stambaugh's net worth. Consequently, in most of the years presented, Stambaugh's ratios are unfavorable.

(7) Exhibit 14 compares, for the same liquidity and leverage ratios, Stambaugh with and without the note receivable from shareholder to Aero and Piedmont and the industry at the end of 1999. In most of the ratios Stambaugh, with or without the note receivable from shareholder, and Aero are not good. Piedmont's liquidity ratios are better than Stambaugh, Aero, and the industry, except for # days sales in accounts receivable. In that ratio, Piedmont and Stambaugh are close, but neither is as good as the industry average. In terms of leverage ratios, Piedmont is better than Aero, Stambaugh (without the note receivable from shareholder), and the industry.

(8) Exhibit 15 shows the balance sheets and summaries of income statements that are the source of the ratio calculations in Exhibit 14. Exhibit 15 also shows that in terms of operating profit as a percentage of net sales, Piedmont did better than Stambaugh and Aero, but not as well as the industry average. It should be noted that in 1999, Aero shows an operating loss of \$631,000 but profit before taxes of \$15,323,000. The notes to Aero's income statement indicated that this gain was from the sale of fixed assets.

(9) According to the Annual Economic Report of Airlines in the United States, 2000, by the Air Transport Association, 1999 was a problem year for the industry because of issues

beyond the control or cause of SARA or Stambaugh. The year being reported on here, 1999, saw a 45 percent increase in jet fuel prices, an exceptionally dramatic increase in air traffic control delays, and lower prices to customers. The report concludes, "With lower prices, operating profits fell, although the airlines were able to increase their net profits by selling some airline-related assets."

Analysis of Factors Impacting the Value
of Stambaugh's FBO Business

Paragraphs 85 and 86 of the Second Amended Complaint in this case, state that Stambaugh's FBO business was valued in excess of \$5,000,000 and that value was lost. In the document "Damages, Stambaugh Air Service vs Susquehanna Area Regional Airport Authority" (Damages report), there is a calculation of lost fuel sales revenue and secondary maintenance work associated with lost fuel sales. However, the value of a business is not the lost revenues. The value of a business is a function of profits, revenues minus expenses. The Damages report deducts no expenses that would be associated with lost revenues, dismissing such costs as minimal or absorbed by other projects.

It is not plausible that fuel farm rents, the cost and depreciation of trucks and equipment, the costs of materials used in secondary maintenance and the labor to do all of such work would be minimal. In addition, if labor was retained for other projects, the revenue derived there from is not considered in damage report calculations. Furthermore, it is unlikely that prudent management would retain labor costs for which there is no revenue producing function. In addition, there are many more factors that impact the value of a business.

The value of any investment, including a business, is the present (discounted) cash flows of the investment. In other words, the value of a business is the value today of net cash flows that will be available to the owners in years to come. More specifically, what is meant are the positive cash flows that a business can generate for the owner(s) above and beyond any fair market value wages paid to such owner/employees for their service as an employee rather than an owner(s). Values are also impacted by, to name a few, factors including but not limited to: the relative risk associated with a business, the nature of the industry it is in, the relative size of the business, the rate of growth of the business, the quality of the management, the need for the business relative to others to retain cash for working capital needs and fixed asset additions and the retirement of debt. A business' value can also be impacted by things out of the control of the business such as technology changes, new competition, and acts of nature. There are three categories of business valuation methods that are commonly used to value going concern businesses: the market method, the asset method, and the income method. Which is most appropriate for a given business that is being valued must be determined. However, each of the methods is conceptually a measure of the present value of future cash flows, whether measured in the market place of business trades, by the value of the business' constituent assets, or a particular measure of future incomes.

All of the documents that we reviewed revealed many items that would have an adverse impact on the value of Stambaugh's business and the segments thereof. Among the factors that would have a negative impact on the value of Stambaugh's business are:

- It is net profit and net cash flows that drive value and not gross revenues.
- The long termed negative trend of the financial condition of Stambaugh. This is discussed above in the section of this report titled Analysis of Stambaugh Air Services, Inc. financial condition at December 31, 1999. In brief, Stambaugh's sales and profits had been declining, sales were being generated on a thin stretched line of working capital, and cash needed to fund growth and fixed asset additions were being paid out to owners as advances and dividends. Mark Stambaugh, on page 51 of his deposition transcript, notes the importance of financial stability to performing FBO services
- Things like the terrorist attacks of September 11, 2001, can diminish or destroy the value of a business. On page 180 of his deposition transcript, Scott Stambaugh presents those terrorist attacks as the cause of Stambaugh's entry into bankruptcy. Mark Stambaugh acknowledges the impact of this same event on aviation on page 38 of his deposition transcript.
- Stambaugh's future financial performance (after December 31, 1999) was not good, as evidenced by the bankruptcy, and it is future performance that drives value. History can be an indicator, but not a guarantee of future value.
- To illustrate how other future events can impact the value of a business in the aviation industry, the Air Transport Association's review of the year 2000 notes a 51.8% increase in fuel costs over 1999. And in the report on the year 2003, the Association notes the increasing costs of security programs, another year of rising fuel prices, and SARS (Severe Acute Respiratory Syndrome).
- Stambaugh management did not fully utilize the resources it had to rebound from financial difficulties. On pages 15 and 16 of his deposition transcript Mark Stambaugh notes that, "The corporation is licensed to conduct unlimited maintenance in every aviation jurisdiction in the world with the exception of China and Russia." He notes that by corporation he means Stambaugh Air Service. But only Harrisburg and Georgia locations were being used.

It is our belief that any decrease in the value of Stambaugh's business or segment thereof was not a function of lost revenues, but the over all financial condition of the business, financial trends of the business, non-financial management issues of the business, and factors beyond the control of the business.

Kern and Company, P.C.

Charles L. Kern

Charles L. Kern,
BS/MBA/CPA/CVA/CFA/AEP/ABV,
Chairman and CEO

APPENDICES

- Exhibit 1 – Documents Reviewed
- Exhibit 2 – Stambaugh's Air Services, Inc. Balance Sheets for December 31, 2003, 2002, and 2000 through 1995
- Exhibit 3 – Stambaugh's Air Services, Inc. Income Statements for December 31, 2003, 2002, and 2000 through 1995
- Exhibit 4 – Stambaugh's Air Services, Inc. Cash Flow Statements for December 31, 2000 through 1995
- Exhibit 5 – Piedmont/Hawthorne Holdings, Inc. and Subsidiaries Balance Sheets for October 31, 1999 and December 31, 1998
- Exhibit 6 – Piedmont/Hawthorne Holdings, Inc. and Subsidiaries Income Statements for October 31, 1999 and December 31, 1998
- Exhibit 7 – Aero Services International, Inc. Balance Sheet, August 31, 1999
- Exhibit 8 – Aero Services International, Inc. Income Statement, August 31, 1999
- Exhibit 9 – Horizontal Analysis of Stambaugh's Air Services, Inc. Balance Sheets for December 31, 2003, 2002, and 2000 through 1995
- Exhibit 10 – Stambaugh's Air Services, Inc. Income Statements for December 31, 2000 through 1995
- Exhibit 11 – Comparison of Borrowings from Banks and Payments to Shareholder
- Exhibit 12 – Summary of Key Ratios, December 31, 2000 through 1995 for Stambaugh's Air Services, Inc. (with receivable)

- Exhibit 13 – Summary of Key Ratios, December 31, 2000 through 1995 for Stambaugh's Air Services, Inc. (without receivable)
- Exhibit 14 – Summary of Key Ratios, Three-Entity Comparison of Key Ratios (1999)
- Exhibit 15 – Summary of Key Ratios, Three-Entity Comparison of Financial Statements (1999)
- Exhibit 16 – Stambaugh's Air Services, Inc. Adjusted Balance Sheets with Elimination Entries for December 31, 2003, 2002, and 2000 through 1995
- Exhibit 17 – Professional Biography of Charles L. Kern

Exhibit 1

DOCUMENTS REVIEWED

- U.S. Bankruptcy Court, Middletown District of Pennsylvania – Monthly Operating Reports, June 13, 2002 to December 31, 2003.
- U.S. Bankruptcy Court, Middletown District of Pennsylvania – Quarterly Operating Report, January 1, 2004 to March 31, 2004.
- Stambaugh's Air Service, Inc. and Affiliates Combined Financial Statements and Supplemental Material December 31, 1992 to December 31, 2000.
- U.S. Bankruptcy Court, Middletown District of Pennsylvania (Harrisburg) – Bankruptcy Petition of Stambaugh Air Services, Inc.
- U.S. Bankruptcy Court, Middletown District of Pennsylvania (Harrisburg) – Bankruptcy Petition of Stambaugh Aviation, Inc.
- U.S. District Court, Middletown District of Pennsylvania – Mark Stambaugh, Sr.'s Deposition Transcript, Stambaugh's Air Service, Inc. v. Susquehanna Area Regional Airport Authority, BAA Harrisburg, Inc., David Fleet, individually, David Holdsworth, individually, David C. McIntosh, individually.
- U.S. District Court, Middletown District of Pennsylvania – Scott Stambaugh's Deposition Transcript, Stambaugh's Air Service, Inc. v. Susquehanna Area Regional Airport Authority, BAA Harrisburg, Inc., David Fleet, individually, David Holdsworth, individually, David C. McIntosh, individually.
- Susquehanna Area Regional Airport Authority Audited Financial Statements December 31, 2000 to December 31, 2006.

Exhibit 1

- Aero Services International, Inc. Consolidated Financial Statements August 31, 1999
(eleven months ended)
- Piedmont/Hawthorne Holdings, Inc. response to RFQ (Request for Qualifications)
- Piedmont/Hawthorne Holdings, Inc. and Subsidiaries Audited Financial Statements,
December 31, 1998 (initial short-year), and October 31, 1999 Internal Financial Statements
- Stambaugh's Air Service Revenue Impact due to Lease Termination (Estimated)
- U.S. District Court, Middle District of Pennsylvania - Second Amended Complaint,
Stambaugh's Air Service, Inc. v. Susquehanna Area Regional Airport Authority, BAA
Harrisburg, Inc., David Fleet, individually, David Holdsworth, individually, and David C.
McIntosh, individually.
- Harrisburg International Airport Fuel Sales by Month, 2000 to 2006.
- Annual Economic Reports: Airlines in the United States, 2000 to 2005 by the Air Transport
Association.
- Industry Profile 2003 to 2006 by Datamonitor.

Exhibit 2

Rhoads & Sinon
 Stambaugh v. SARAA
 Stambaugh Financial Statements
 Balance Sheet 2003, 2002, & 2000 - 1995

| | 12/31/2003* | 12/31/2002* | 12/31/2000 | 12/31/1999 | 12/31/1998 | 12/31/1997 | 12/31/1996 | 12/31/1995 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Assets | | | | | | | | |
| Current Assets | | | | | | | | |
| Cash | 23,646 | 119,614 | - | 32,888 | - | - | 24,011 | 1,364,833 |
| Account Receivable | 737,699 | 1,040,392 | 1,637,219 | 1,223,607 | 1,848,425 | 1,512,919 | 1,523,609 | 1,628,167 |
| Excess of Billings on Uncompleted Contracts | - | - | - | - | - | - | - | 75,430 |
| Inventory | 453,413 | 455,134 | 557,157 | 483,312 | 531,971 | 552,173 | 509,354 | 399,796 |
| Current Maturity Long-Term Receivable | - | - | 6,750 | 6,750 | 13,500 | - | 6,701 | 6,701 |
| Prepaid Expenses | 59,312 | 78,018 | 570,072 | 41,243 | 235,487 | 251,773 | 233,950 | 131,690 |
| Security Bond | - | 149,976 | - | - | - | - | - | - |
| Due from Affiliated Companies | 888,929 | 634,047 | - | - | - | - | - | - |
| Work-in-progress | 593,289 | 410,207 | - | - | - | - | - | - |
| Total Current Assets | 2,756,288 | 2,887,388 | 2,771,198 | 1,787,800 | 2,629,383 | 2,316,865 | 2,297,625 | 3,606,537 |
| Property and Equipment | | | | | | | | |
| Land and buildings | 768,456 | 768,456 | 640,273 | 429,428 | 429,428 | 429,428 | 429,428 | 421,528 |
| Equipment and Vehicles | 2,629,438 | 2,625,837 | 3,579,156 | 3,483,125 | 3,410,402 | 3,318,321 | 3,127,520 | 3,062,014 |
| Leasehold Improvements | 443,504 | 443,504 | 467,818 | 467,818 | 467,818 | 467,818 | 461,818 | 428,679 |
| Less Accum. Deprec. and Amort. | (3,175,576) | (3,133,971) | (3,322,252) | (3,796,582) | (3,677,483) | (3,539,021) | (3,389,468) | (3,278,931) |
| Net Property and Equipment | 665,822 | 703,826 | 764,985 | 583,789 | 630,165 | 676,546 | 629,298 | 633,290 |
| Other Assets | | | | | | | | |
| Account Receivable, LT | - | - | 605,696 | - | - | - | - | - |
| Long-term Note Receivable, net of current maturities | 232,985 | 234,983 | 219,711 | 187,241 | 188,997 | 195,796 | 188,998 | 188,998 |
| Note Receivable, Stockholder | 3,476,620 | 3,461,543 | 3,464,135 | 2,980,218 | 2,414,741 | 2,551,903 | 2,733,030 | 1,911,282 |
| Security Deposits | 24,000 | 24,000 | 36,941 | 50,449 | 22,007 | 55,857 | 13,140 | 13,140 |
| Investment in Real Estate | - | - | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 |
| Total Other Assets | 3,733,605 | 3,720,526 | 4,416,483 | 3,307,908 | 2,715,745 | 2,893,556 | 3,025,168 | 2,203,420 |
| Total Assets | 7,155,715 | 7,311,740 | 7,952,666 | 5,679,497 | 5,975,293 | 5,886,967 | 5,952,091 | 6,443,347 |
| Liabilities and Stockholders' Equity | | | | | | | | |
| Current Liabilities | | | | | | | | |
| Cash overdrafts | - | - | 69,918 | - | 86,387 | 90,250 | - | - |
| Notes Payable, Current | - | - | 1,118,385 | 215,000 | 1,041,082 | 884,970 | 500,306 | 223,306 |
| Accounts Payable and Accrued Expenses | 62,764 | 136,158 | 1,596,735 | 999,345 | 1,276,586 | 1,299,763 | 1,625,188 | 1,970,129 |
| Payroll and Other Taxes Payable | 32,047 | 23,938 | 1,272,950 | 471,829 | 152,264 | 68,714 | 68,979 | 277,337 |
| Total Current Liabilities | 94,811 | 160,096 | 4,057,988 | 1,686,174 | 2,556,319 | 2,343,697 | 2,194,473 | 2,470,772 |
| Long-term Accounts Payable | - | - | - | - | 57,904 | 168,034 | 243,848 | 363,848 |
| Notes Payable, Net of Current Portion | 3,356,012 | 3,530,612 | 657,308 | 497,757 | 90,079 | 314,197 | 495,338 | 714,644 |
| Total Liabilities | 3,450,823 | 3,690,708 | 4,715,296 | 2,183,931 | 2,704,302 | 2,825,928 | 2,933,659 | 3,549,264 |
| Stockholders' Equity | | | | | | | | |
| Common Stock | 10,000 | 10,000 | 12,600 | 12,600 | 12,600 | 12,600 | 12,600 | 12,600 |
| APIC | 3,296 | 3,296 | 3,296 | 3,296 | 3,296 | 3,296 | 3,296 | 3,296 |
| Retained Earnings | 3,691,596 | 3,607,736 | 3,221,474 | 3,479,570 | 3,255,095 | 3,045,143 | 3,002,536 | 2,878,187 |
| Total Stockholders' Equity | 3,704,892 | 3,621,032 | 3,237,370 | 3,495,566 | 3,270,991 | 3,061,039 | 3,018,432 | 2,894,083 |
| Total Liabilities and Stockholders' Equity | 7,155,715 | 7,311,740 | 7,952,666 | 5,679,497 | 5,975,293 | 5,886,967 | 5,952,091 | 6,443,347 |

* - from Bankruptcy documents not Audited Financial Statements

Exhibit 3

Rhoads & Sinon
 Stambaugh v. SARAA
 Stambaugh Financial Statements
 Income Statement 2003, 2002, & 2000 - 1995

| | 12/31/2003* | 12/31/2002* | 12/31/2000 | 12/31/1999 | 12/31/1998 | 12/31/1997 | 12/31/1996 | 12/31/1995 |
|---|-------------|-------------|------------|------------|------------|------------|------------|-------------|
| Revenue | 4,883,750 | 2,939,582 | 11,944,438 | 10,832,155 | 11,890,248 | 13,771,649 | 11,675,562 | 17,031,626 |
| Cost of Revenues | 2,095,834 | 1,324,880 | 10,146,747 | 8,566,439 | 10,238,156 | 11,936,611 | 10,003,319 | 15,388,212 |
| Gross Profit | 2,787,916 | 1,614,702 | 1,797,691 | 2,265,716 | 1,652,092 | 1,835,038 | 1,672,243 | 1,643,414 |
| General and Administrative Expenses | 2,103,246 | 1,143,361 | 2,219,156 | 2,008,992 | 1,474,172 | 1,978,718 | 1,283,953 | 1,594,235 |
| (Loss) Before Other Income (Expenses) | 684,670 | 471,341 | (421,465) | 256,724 | 177,920 | (143,680) | 388,290 | 49,179 |
| Other Income (Expense) | - | - | 150,000 | - | - | - | - | - |
| Gain on Involuntary Conversion of Equipment | - | - | - | - | - | - | - | - |
| Gain on Settlement with U.S. Navy | - | - | - | - | - | - | - | 2,391,020 |
| Gain on Insurance Settlement | - | - | - | - | - | - | - | 250,944 |
| Loan Admin. Costs | - | - | - | - | - | - | - | (7,000) |
| Rental Income | - | - | - | 6,374 | 9,300 | 10,136 | 28,912 | 26,094 |
| Interest Income ** | - | - | 177,680 | 110,118 | 124,012 | 293,346 | 319,114 | 21,125 |
| Interest (Expense) ** | (122,498) | (49,665) | (164,411) | (148,641) | (101,280) | (117,195) | (96,940) | - |
| Other | - | - | - | - | - | - | (15,027) | (5,558) |
| Total Other Income (Expense) | (122,498) | (49,665) | 163,269 | (32,149) | 32,032 | 186,287 | 236,059 | 2,676,625 |
| Reorganization Items | (63,386) | (1,750) | - | - | - | - | - | - |
| Net (Loss) | 498,786 | 419,926 | (258,196) | 224,575 | 209,952 | 42,607 | 624,349 | 2,725,804 |
| Retained Earnings at Beginning of Year | | | 3,479,670 | 3,255,095 | 3,045,143 | 3,002,536 | 2,878,187 | 1,652,383 |
| Dividends | | | - | - | - | - | (500,000) | (1,500,000) |
| Retained Earnings at End of Year | | | 3,221,474 | 3,479,670 | 3,255,095 | 3,045,143 | 3,002,536 | 2,878,187 |

* - from Bankruptcy documents not Audited Financial Statements

** - Interest income and expense were netted on the Financial Statements, these items were segregated for comparability

Exhibit 4

Rhoads & Sinon
 Stambaugh v. SARAA
 Stambaugh Financial Statements
 Cash Flow Statement 2000 - 1995

| | 12/31/2000 | 12/31/1999 | 12/31/1998 | 12/31/1997 | 12/31/1996 | 12/31/1995** |
|--|-------------|------------|------------|------------|-------------|--------------|
| Cash Flow from Operating Activities | | | | | | |
| Net (Loss) | (258,196) | 224,575 | 209,952 | 42,607 | 624,349 | 2,725,804 |
| Adjustments to Reconcile Net (Loss) to Net Cash (Used in) Operating Activities | | | | | | |
| Depreciation and Amortization | | | | | | |
| Loss on Involuntary Conversion | 125,680 | 119,099 | 143,151 | 149,553 | 153,782 | 157,064 |
| Loss on Equipment Relating to Navy Settlement | | | | | | 2,106 |
| Change in Assets and Liabilities | | | | | | 1,883 |
| (Increase) Decrease in Assets | | | | | | |
| Accounts Receivable | (1,051,778) | 624,818 | (335,506) | 10,690 | 104,578 | (486,789) |
| Work in Process | | | | | 75,430 | 93,520 |
| Inventory | (73,845) | 48,659 | 20,202 | (38,551) | (109,558) | 135,955 |
| Prepaid Expenses | (528,829) | 194,244 | 9,585 | (11,122) | (102,260) | (1,150) |
| Decrease in Navy Claims | | | | | | 297,491 |
| Increase in Security Deposits | | | | | | 18,011 |
| Increase (Decrease) in Liabilities | | | | | | |
| Accounts Payable and Accrued Expenses | 597,390 | (277,241) | (23,177) | (325,425) | (344,941) | 606,439 |
| Payroll and other taxes Payable | 801,121 | 319,565 | 83,550 | (4,533) | (208,358) | (220,940) |
| Long-term Accounts Payable | | (57,904) | (110,130) | (75,814) | (120,000) | (119,999) |
| Net Cash (Used in) Operating Activities | (388,457) | 1,195,815 | (2,373) | (252,595) | 73,022 | 3,229,395 |
| Cash Flows from Investing Activities | | | | | | |
| Purchase of Property and Equipment | (306,876) | (72,723) | (96,770) | (196,801) | (149,790) | (140,825) |
| Long-term Notes Receivable | | 8,506 | | (6,798) | | 12,613 |
| Proceeds from Sale of Equipment | | | | | | 21,177 |
| Security Deposits | 13,508 | (28,442) | 33,850 | (42,717) | | |
| Net Cash (Used in) Investing Activities | (293,368) | (92,659) | (62,920) | (246,316) | (149,790) | (107,035) |
| Cash Flows from Financing Activities | | | | | | |
| Borrowings under Line of Credit | 1,062,936 | | | 203,523 | | |
| Repayment on Notes Payable | | | (68,006) | | 57,694 | |
| Dividends paid | | (418,404) | | | | (357,511) |
| Proceeds from Stockholder * | | | 137,162 | 181,127 | (876,815) | (120,000) |
| Advances to Stockholder * | | | | | 668,078 | 158,114 |
| Net Cash Provided by Financing Activities | (483,917) | (565,477) | | | (1,113,011) | (1,627,034) |
| Net (Decrease) in Cash | 579,019 | (983,881) | 69,156 | 384,650 | (1,264,054) | (1,946,431) |
| Cash at Beginning of Year | (102,806) | 119,275 | 3,863 | (114,261) | (1,340,822) | 1,175,929 |
| Cash (Overdraft) at End of Year | 32,888 | (86,387) | (90,250) | 24,011 | 1,364,833 | 188,904 |
| | (69,918) | 32,888 | (86,387) | (90,250) | 24,011 | 1,364,833 |
| Cash Paid During Year for Interest | 100,501 | 153,722 | 98,444 | 92,040 | 96,583 | 133,220 |
| Dividend to Shareholder | | | | | 500,000 | 1,500,000 |

* Items were included in investing activities in 1996 & 1995, reclassified to financing activities for comparability with subsequent years
 ** - There were errors in two of the subtotals on the original document (12/31/1995 Cash Flow Statement); however, the errors offset each other.
 Therefore, neither error is reflected in the grand total.

Exhibit 5

Rhoads & Sinon
 Stambaugh v. SARAA
 Piedmont/Hawthorne Holdings, Inc. and Subsidiaries Financial Statements
 Balance Sheet October 31, 1999 YTD, and 1998 Year End

| | 10/31/1999^ | 12/31/1998* |
|--|--------------------|----------------|
| Current Assets | | |
| Cash | 1,308,601 | 70 |
| Accounts Receivable | 17,681,489 | 21,478 |
| Inventories | | |
| Parts and Fuel Inventory | 8,007,807 | 6,341 |
| Work-in-Process | 4,856,813 | 3,654 |
| Aircraft | 4,922,283 | 7,067 |
| | <u>17,786,903</u> | <u>17,062</u> |
| Prepaid Expenses and Other Current Assets | 932,715 | 365 |
| Deferred Income Taxes | 435,537 | 435 |
| Total Current Assets | <u>38,145,245</u> | <u>39,410</u> |
| Net Property and Equipment | 24,864,283 | 24,373 |
| Intangible Assets | 43,954,835 | 43,854 |
| Deferred Income Taxes | 2,110,088 | - |
| Other Assets | 53,109 | - |
| Total Assets | <u>109,127,560</u> | <u>107,637</u> |
| Liabilities and Equity | | |
| Current Liabilities | | |
| Notes Payable - Raytheon | - | 5,386 |
| Current Installments of Long-Term Debt | 4,252,910 | 1,202 |
| Current Obligations Under Capital Lease | 81,282 | - |
| Accounts Payable | 6,323,790 | 6,193 |
| Outstanding Checks in Excess of Bank Balance | - | - |
| Accrued Expenses | 7,277,988 | 5,197 |
| Accrued Interest | 747,745 | - |
| Income Taxes Payable/(Receivable) | (157,928) | 455 |
| Deferred Revenue | 963,096 | 775 |
| Total Current Liabilities | <u>19,488,883</u> | <u>19,208</u> |
| Revolving Credit Facility | 4,000,000 | - |
| Long-term Debt, Excluding Current Installments | 54,778,051 | 58,416 |
| Obligations Under Capital Lease, Excluding Current | 147,195 | - |
| Deferred Revenue, Excluding Current Portion | 412,332 | 460 |
| Deferred Income Taxes | 1,747,104 | 1,740 |
| Total Liabilities | <u>80,573,565</u> | <u>79,824</u> |
| Stockholders' Equity: | | |
| Common Stock | 988 | 1 |
| Stock Options Outstanding | - | 1,529 |
| APIC | 27,515,045 | 26,541 |
| Retained Earnings | 1,037,962 | (258) |
| Total Stockholders' Equity | <u>28,553,995</u> | <u>27,813</u> |
| Total Liabilities and Equity | <u>109,127,560</u> | <u>107,637</u> |

Operations began June 17, 1998

* - In thousands

^ - Internal Financial Statements

Exhibit 6

Rhoads & Sinon
 Stambaugh v. SARAA
 Piedmont/Hawthorne Holdings, Inc. and Subsidiaries Financial Statements
 Income Statement October 31, 1999 YTD. and 1998 Year End

| | 10/31/1999^ | 12/31/1998* |
|--------------------------------------|-------------|-------------|
| Revenue | | |
| Fixed Base Operations | 70,996,122 | 31,544 |
| Aircraft Sales | 47,210,878 | 22,446 |
| Overhaul | 21,965,469 | 12,878 |
| Charter | 11,557,232 | 5,553 |
| Eliminations | (2,195,301) | - |
| Total Revenue | 149,534,400 | 72,421 |
| Cost of Sales** | | |
| Fixed Base Operations | 57,471,925 | 25,743 |
| Aircraft Sales | 42,195,485 | 19,174 |
| Overhaul | 19,295,330 | 11,289 |
| Charter | 10,338,205 | 5,114 |
| Eliminations | (2,195,301) | - |
| Total Cost of Sales | 127,105,644 | 61,320 |
| Gross Profit | 22,428,756 | 11,101 |
| Operating Expenses | | |
| Fixed Base Operations | 5,584,205 | |
| Aircraft Sales | 2,496,306 | |
| Overhaul | 662,934 | |
| Charter | 455,991 | |
| General and Administrative | 7,607,885 | |
| Total Operating Expenses | 16,807,321 | 8,623 |
| Operating Income | 5,621,435 | 2,478 |
| Non Operating Income/(Expense) | | |
| Interest Expense, Net | (3,618,140) | (2,124) |
| Miscellaneous Income/(Expense) | 15,417 | |
| Total Non Operating (Income)/Expense | (3,602,723) | (2,124) |
| Income Before Taxes | 2,018,712 | 354 |
| Income Tax Expense | 723,184 | 612 |
| Net Income | 1,295,528 | (258) |

Operations began June 17, 1998

* - In thousands

^ - Internal Financial Statements

** - The 10/31/1999 financials showed gross profit by profit center, Cost of Sales was calculated for comparability
 Revenues less Gross Profit equals Cost of Sales (see below)

| Profit Center | Revenue | Gross Profit | Cost of Sales |
|-----------------------|------------|--------------|---------------|
| Fixed Base Operations | 70,996,122 | 13,524,197 | 57,471,925 |
| Aircraft Sales | 47,210,878 | 5,015,393 | 42,195,485 |
| Overhaul | 21,965,469 | 2,670,139 | 19,295,330 |
| Charter | 11,557,232 | 1,219,027 | 10,338,205 |

Exhibit 7

Rhoads & Sinon
 Stambaugh v SARAA
 Aero Services Financial Statements
 Balance Sheet August 31, 1999

| | 8/31/1999* |
|---|----------------------|
| Assets | |
| Current Assets | |
| Cash and Equivalents | 43 |
| Accounts Receivable | 79 |
| Other Receivables | 4,949 |
| Inventory | 33 |
| Prepaid Expenses and Other Assets | 118 |
| Total Current Assets | <u>5,222</u> |
| Fixed Assets - Net | 1,282 |
| Other Assets | 10,481 |
| Total Assets | <u><u>16,985</u></u> |
| Liabilities and Stockholders' Deficit | |
| Current Liabilities | |
| Accounts Payable | 1,352 |
| Notes Payable | |
| Transportech | 7,979 |
| Avfuel | 56 |
| Cessna | 67 |
| Other | 74 |
| Accrued Expenses | |
| Accrued Interest | 3,647 |
| Accrued Salaries and Incentives | 46 |
| Property, Payroll, and Other Taxes | 2,980 |
| Other | 490 |
| Total Current Liabilities | <u>16,691</u> |
| Long Term Liabilities | |
| Notes Payable | |
| Transtech | 6,910 |
| Chicago IRB | - |
| Avfuel | 210 |
| Cessna | 746 |
| Other | 1 |
| Accrued EPA | 213 |
| Preferred Stock | 3,624 |
| Total Long Term Liabilities | <u>11,704</u> |
| Stockholders' Deficit | |
| Common Stock | 10,400 |
| APIC | 4,724 |
| Treasury Stock | (237) |
| Retained Earnings | <u>(26,297)</u> |
| Total Stockholders' Deficit | <u>(11,410)</u> |
| Total Liabilities and Stockholders' Deficit | <u><u>16,985</u></u> |

* - in thousands

Exhibit 8

Rhoads & Sinon
 Stambaugh v SARAA
 Aero Services Financial Statements
 Income Statement Eleven Months Ended August 31, 1999

| | 8/31/1999* |
|--------------------------|----------------------|
| Sales | 6,181 |
| Cost of Sales | <u>2,335</u> |
| Gross Profit | 3,846 |
| Operating Expenses | |
| Payroll | 1,639 |
| Shop & Line | 598 |
| General & Administrative | 1,468 |
| Occupancy | <u>772</u> |
| Total Operating Expenses | 4,477 |
| EBDIT | (631) |
| Depreciation | <u>254</u> |
| EBIT | (885) |
| Interest Expense | 1,502 |
| Other (Inc)/Exp | <u>(17,710)</u> |
| EBT | <u><u>15,323</u></u> |

* - in thousands

Exhibit 9

Rhoads & Sinon
 Stambaugh v. SARAA
 Stambaugh Horizontal Analysis
 Balance Sheet 2003, 2002, & 2000-1995

| | 12/31/2003* | 12/31/2002* | 12/31/2000 | 12/31/1999 | 12/31/1998 | 12/31/1997 | 12/31/1996 | 12/31/1995 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Assets | | | | | | | | |
| Current Assets | | | | | | | | |
| Cash | 23,646 | 119,614 | 1,637,219 | 32,888 | 1,848,425 | 1,512,919 | 24,011 | 1,364,833 |
| Account Receivable | 737,699 | 1,040,392 | 20,600 | 1,223,607 | 1,848,425 | 1,512,919 | 1,523,609 | 1,628,187 |
| Excess of Billings on Uncompleted Contracts | | | | | | | | |
| Inventory | 453,413 | 455,134 | 557,157 | 463,312 | 531,971 | 552,173 | 509,354 | 75,430 |
| Current Maturity Long-Term Receivable | | | | | | | | |
| Prepaid Expenses | 59,312 | 78,018 | 6,750 | 6,750 | 13,500 | 13,500 | 6,701 | 398,786 |
| Security Bond | | | | | | | | |
| Due from Affiliated Companies | 888,929 | 149,976 | 570,072 | 41,243 | 235,487 | 251,773 | 233,950 | 6,701 |
| Work-in-Progress | 593,289 | 634,047 | | | | | | 131,650 |
| Total Current Assets | 2,756,288 | 2,887,368 | 2,771,198 | 1,787,800 | 2,629,383 | 2,316,655 | 2,297,625 | 3,506,637 |
| Property and Equipment | | | | | | | | |
| Land and Buildings | 768,456 | 768,456 | 640,273 | 428,428 | 428,428 | 428,428 | 428,428 | 421,528 |
| Equipment and Vehicles | 2,629,438 | 2,629,437 | 3,579,156 | 3,483,125 | 3,410,402 | 3,318,321 | 3,127,520 | 3,062,014 |
| Leasehold Improvements | 443,504 | 443,504 | 467,818 | 467,818 | 467,818 | 467,818 | 461,818 | 428,679 |
| Less Accum. Deprec. and Amort. | (3,175,576) | (3,133,971) | (3,922,262) | (3,765,582) | (3,677,403) | (3,539,021) | (3,389,468) | (3,278,931) |
| Net Property and Equipment | 665,822 | 703,625 | 764,885 | 583,789 | 630,165 | 676,546 | 629,288 | 633,250 |
| Other Assets | | | | | | | | |
| Account Receivable, LT | | | | | | | | |
| Long-term Note Receivable, net of current maturities | 232,985 | 234,983 | 219,711 | 187,241 | 188,997 | 195,796 | 188,998 | 188,998 |
| Note Receivable, Stockholder | 3,476,620 | 3,461,543 | 3,464,135 | 2,980,218 | 2,414,741 | 2,551,903 | 2,733,030 | 1,911,282 |
| Security Deposits | 24,000 | 24,000 | 36,941 | 50,449 | 22,007 | 55,857 | 13,140 | 13,140 |
| Investment in Real Estate | | | | | | | | |
| Total Other Assets | 3,733,605 | 3,720,526 | 4,416,483 | 3,307,808 | 2,715,745 | 2,893,556 | 3,025,168 | 2,203,429 |
| Total Assets | 7,155,715 | 7,311,740 | 7,952,566 | 5,679,497 | 5,975,293 | 5,886,967 | 5,952,091 | 8,443,347 |
| Liabilities and Stockholders' Equity | | | | | | | | |
| Current Liabilities | | | | | | | | |
| Cash overdrafts | | | | | | | | |
| Notes Payable, Current | | | | | | | | |
| Accounts Payable and Accrued Expenses | 62,764 | 136,158 | 1,118,385 | 215,000 | 86,387 | 90,250 | 500,306 | 223,305 |
| Payroll and Other Taxes Payable | 32,047 | 23,938 | 1,596,735 | 989,345 | 1,276,586 | 1,289,763 | 1,625,186 | 1,970,129 |
| Total Current Liabilities | 94,811 | 160,096 | 1,272,950 | 471,629 | 1,526,284 | 1,526,284 | 1,689,799 | 2,277,337 |
| Long-term Accounts Payable | | | | | | | | |
| Notes Payable, Net of Current Portion | 3,356,012 | 3,530,612 | 4,057,988 | 1,666,174 | 2,556,319 | 2,343,697 | 2,194,473 | 2,470,772 |
| Total Liabilities | 3,450,823 | 3,690,708 | 4,715,296 | 1,863,931 | 2,704,302 | 2,825,928 | 2,933,659 | 3,549,264 |
| Stockholders' Equity | | | | | | | | |
| Common Stock | 10,000 | 10,000 | 12,600 | 12,600 | 12,600 | 12,600 | 12,600 | 12,600 |
| APIC | 3,296 | 3,296 | 3,296 | 3,296 | 3,296 | 3,296 | 3,296 | 3,296 |
| Retained Earnings | 3,691,596 | 3,607,736 | 3,221,474 | 3,479,670 | 3,255,095 | 3,045,143 | 3,002,536 | 2,878,187 |
| Total Stockholders' Equity | 7,155,715 | 7,311,740 | 7,952,566 | 5,679,497 | 5,975,293 | 5,886,967 | 5,952,091 | 8,443,347 |
| Total Liabilities and Stockholders' Equity | 7,155,715 | 7,311,740 | 7,952,566 | 5,679,497 | 5,975,293 | 5,886,967 | 5,952,091 | 8,443,347 |

* - from Bankruptcy documents, not Audited Financial Statements

** - financial data obtained from the client did not include financial statements for the year ending 12/31/2001

Exhibit 10

Rhoads & Sinon
 Stambaugh v. SARAA
 Stambaugh Financial Statements
 Income Statement 2000 - 1995

| | 12/31/2000 | 12/31/1999 | 12/31/1998 | 12/31/1997 | 12/31/1996 | 12/31/1995 |
|---|------------|------------|------------|------------|------------|-------------|
| Revenue | 11,944,438 | 10,832,155 | 11,890,248 | 13,771,649 | 11,675,562 | 17,031,626 |
| Cost of Revenues | 10,146,747 | 8,566,439 | 10,238,156 | 11,936,611 | 10,003,319 | 15,388,212 |
| Gross Profit | 1,797,691 | 2,265,716 | 1,652,092 | 1,835,038 | 1,672,243 | 1,643,414 |
| General and Administrative Expenses | 2,219,156 | 2,008,992 | 1,474,172 | 1,978,718 | 1,283,953 | 1,594,235 |
| (Loss) Before Other Income (Expenses) | (421,465) | 256,724 | 177,920 | (143,680) | 388,290 | 49,179 |
| Other Income (Expense) | | | | | | |
| Gain on Involuntary Conversion of Equipment | 150,000 | - | - | - | - | - |
| Gain on Settlement with U.S. Navy | - | - | - | - | - | 2,391,020 |
| Gain on Insurance Settlement | - | - | - | - | - | 250,944 |
| Loan Admin. Costs | - | - | - | - | - | (7,000) |
| Rental Income | - | 6,374 | 9,300 | 10,136 | 28,912 | 26,094 |
| Interest Income ** | 177,680 | 110,118 | 124,012 | 293,346 | 319,114 | 21,125 |
| Interest (Expense) ** | (164,411) | (148,641) | (101,280) | (117,195) | (96,940) | - |
| Other | - | - | - | - | (15,027) | (5,558) |
| Total Other Income (Expense) | 163,269 | (32,149) | 32,032 | 186,287 | 236,059 | 2,676,625 |
| Reorganization Items | - | - | - | - | - | - |
| Net (Loss) | (258,196) | 224,575 | 209,952 | 42,607 | 624,349 | 2,725,804 |
| Retained Earnings at Beginning of Year | 3,479,670 | 3,255,095 | 3,045,143 | 3,002,536 | 2,878,187 | 1,652,383 |
| Dividends | - | - | - | - | (500,000) | (1,500,000) |
| Retained Earnings at End of Year | 3,221,474 | 3,479,670 | 3,255,095 | 3,045,143 | 3,002,536 | 2,878,187 |

** - Interest income and expense were netted on the Financial Statements, these items were segregated for comparability

Exhibit 11

Rhoads & Sinon
 Stambaugh v. SARAA
 Comparison of Borrowings from Banks and Payments to Shareholder

| | 12/31/2003* | 12/31/2002* | 12/31/2000 | 12/31/1999 | 12/31/1998 | 12/31/1997 | 12/31/1996 | 12/31/1995 |
|---|-------------|-------------|------------|------------|------------|------------|------------|------------|
| Borrowings (Repayments) from Banks^ | (174,600) | 1,754,919 | 1,062,936 | (418,404) | (68,006) | 203,523 | 57,964 | (357,511) |
| Payments to (Proceeds from) Shareholder | | | | | | | | |
| Dividends | | | | | | | | |
| Change in Note Receivable Shareholder*** | 15,077 | (2,592) | 483,917 | 565,477 | (137,162) | (181,127) | 876,815 | 120,000 |
| Total Payments to (Proceeds from) Shareholder | 15,077 | (2,592) | 483,917 | 565,477 | (137,162) | (181,127) | 821,748 | N/A |
| | | | | | | | 1,698,563 | 120,000 |

* - from Bankruptcy documents, not Audited Financial Statements no Cash Flow Statement included.

** - financial data obtained from the client did not include financial statements for the year ending 12/31/2001

*** - change in Note Receivable on 12/31/2002 is the change from 12/31/2000 to 12/31/2002

^ - Borrowings from Banks from 12/31/2000 through 12/31/1995 come from respective Cash Flow Statements

- Borrowings from Banks from 12/31/2003 and 12/31/2002 are changes from Balance Sheet.

Exhibit 12

| Summary of Key Ratios - 12/31/00 -- 12/31/95 with Receivable | | | | | | | | | | | |
|--|-----------------------|----------------------|-----------------------|--|-------|------------|------------|------------|------------|------------|------------|
| Stambaugh's Air Service, Inc. | RMA Statement Studies | | | | | 12/31/2000 | 12/31/1999 | 12/31/1998 | 12/31/1997 | 12/31/1996 | 12/31/1995 |
| | Total | Assets | Sales | | | | | | | | |
| | Industry Avg. 2000 | Industry Avg. 2-10MM | Industry Avg. 10-25MM | | | | | | | | |
| KEY RATIOS | | | | | | | | | | | |
| Liquidity Ratios | | | | | | | | | | | |
| Current Ratio | 1.3 | 1.1 | 1.1 | | 0.7 | 1.1 | 1.0 | | 1.0 | 1.0 | 1.5 |
| Quick Ratio | 0.9 | 0.6 | 0.9 | | 0.4 | 0.7 | 0.7 | | 0.6 | 0.7 | 1.2 |
| Sales/Working Capital | 23.3 | 67.6 | 51.2 | | (9.3) | 106.6 | 162.7 | | (513.3) | 113.2 | 15.0 |
| # Days Sales in Accts. Rec. | 29 | 22 | 31 | | 50 | 41 | 57 | | 40 | 48 | 35 |
| Leverage Ratios | | | | | | | | | | | |
| Net Fixed Assets/Net Worth | 1.4 | 2.3 | 1.6 | | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Total Liabilities/Net Worth | 1.8 | 2.4 | 1.3 | | 1.5 | 0.6 | 0.8 | 0.8 | 0.9 | 1.0 | 1.2 |

Summary of Key Ratios - 12/31/00 -- 12/31/95 without Receivable

| Stambaugh's Air Service, Inc. | RMA Statement Studies | | | 12/31/2000 | 12/31/1999 | 12/31/1998 | 12/31/1997 | 12/31/1996 | 12/31/1995 |
|-------------------------------|-----------------------|----------------------|-----------------------|------------|------------|------------|------------|------------|------------|
| | Total | Assets | Sales | | | | | | |
| KEY RATIOS | Industry Avg. 2000 | Industry Avg. 2-10MM | Industry Avg. 10-25MM | | | | | | |
| Liquidity Ratios | | | | | | | | | |
| Current Ratio | 1.3 | 1.1 | 1.1 | 0.7 | 1.1 | 1.0 | 1.0 | 1.0 | 1.5 |
| Quick Ratio | 0.9 | 0.6 | 0.9 | 0.4 | 0.7 | 0.7 | 0.6 | 0.7 | 1.2 |
| Sales/Working Capital | 23.3 | 67.6 | 51.2 | (9.3) | 106.6 | 162.7 | (513.3) | 113.2 | 15.0 |
| # Days Sales in Accts. Rec. | 29 | 22 | 31 | 50 | 41 | 57 | 40 | 48 | 35 |
| Leverage Ratios | | | | | | | | | |
| Net Fixed Assets/Net Worth | 1.4 | 2.3 | 1.6 | -3.4 | 1.1 | 0.7 | 1.3 | 2.2 | 0.6 |
| Total Liabilities/Net Worth | 1.8 | 2.4 | 1.3 | -20.8 | 4.2 | 3.2 | 5.6 | 10.3 | 3.6 |

Summary of Key Ratios - 1999

| Three Entity Comparison | | RMA Statement Studies | Stambaugh Air Services, Inc. | Stambaugh Air Services, Inc. (w/out Receivable) | Aero Services International, Inc. * | Piedmont/Hawthorne Holdings, Inc. ** |
|-------------------------|-----------------------------|-----------------------------|---------------------------------|--|--|---|
| | | Total | | | | |
| KEY RATIOS | | Industry Avg. 1999 | | | | |
| Liquidity Ratios | | | | | | |
| | Current Ratio | 1.2 | 1.1 | 1.1 | 0.3 | 2.0 |
| | Quick Ratio | 0.7 | 0.7 | 0.7 | 0.0 | 1.0 |
| | Sales/Working Capital | 27.4 | 106.6 | 106.6 | (0.5) | 8.0 |
| | # Days Sales in Accts. Rec. | 25 | 41 | 41 | 5 | 43 |
| Leverage Ratios | | | | | | |
| | Net Fixed Assets/Net Worth | 1.6 | 0.2 | 1.1 | -0.1 | 0.9 |
| | Total Liabilities/Net Worth | 2.9 | 0.6 | 4.2 | -2.5 | 2.8 |

Comment/Analysis Section:

* Aero's 8/31/99 Financial Statements were interim statements.
 ** Piedmont's 10/31/99 Financial Statements were interim, internally prepared statements.

SIC Code: 4581, 4959 Other Airport Operations (NAICS 488119)

Summary of Key Ratios - 1999

| Three Entity Comparison | | Stambaugh Air Services, Inc. | | Stambaugh Air Services, Inc. (w/out Receivable) | | Aero Services International, Inc. * | | Piedmont/Hawthorne Holdings, Inc. ** | |
|----------------------------------|--|------------------------------|--------------------|---|--------|-------------------------------------|--------|--------------------------------------|--------|
| | | 12/31/1999 | % | 12/31/1999 | % | 8/31/1999 | % | 10/31/1999 | % |
| RMA Statement Studies | | Amount | | Amount | | Amount | | Amount | |
| DATA COLLECTION | | Total | Industry Avg. 1999 | | | | | | |
| Balance Sheet | | | | | | | | | |
| Cash & Equivalents | | 32,888 | 8.7% | 32,888 | 0.6% | 32,888 | 1.2% | 1,308,601 | 1.2% |
| Accounts Receivable-trade, net | | 1,223,607 | 15.2% | 1,223,607 | 21.5% | 1,223,607 | 45.3% | 17,681,489 | 16.2% |
| Inventory | | 483,312 | 13.6% | 483,312 | 8.5% | 483,312 | 17.9% | 17,786,903 | 16.3% |
| All Other Current | | 47,993 | 3.2% | 47,993 | 0.8% | 47,993 | 1.8% | 1,368,252 | 1.3% |
| Total Current Assets | | 1,787,800 | 40.7% | 1,787,800 | 31.1% | 1,787,800 | 66.2% | 38,145,245 | 35.0% |
| Fixed Assets, net | | 583,789 | 48.7% | 583,789 | 10.3% | 583,789 | 21.6% | 24,864,283 | 22.8% |
| Intangibles, net | | 0 | 4.2% | 0 | 0.0% | 0 | 0.0% | 43,954,835 | 40.3% |
| All Other Non-Current | | 3,307,908 | 6.4% | 3,307,908 | 58.2% | 3,307,908 | 12.1% | 2,163,197 | 2.0% |
| Total Assets | | 5,679,497 | 100.0% | 5,679,497 | 100.0% | 5,679,497 | 100.0% | 109,127,560 | 100.0% |
| Notes Payable - Short Term | | 0 | 10.7% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| Current Maturity - L-T Debt | | 215,000 | 4.9% | 215,000 | 3.8% | 215,000 | 8.0% | 4,252,910 | 3.9% |
| Accounts Payable-trade | | 999,345 | 10.7% | 999,345 | 17.6% | 999,345 | 37.0% | 6,323,790 | 5.8% |
| Income Taxes Payable | | 0 | 0.3% | 0 | 0.0% | 0 | 0.0% | (157,928) | -0.1% |
| All Other Current Liabilities | | 471,829 | 15.3% | 471,829 | 8.3% | 471,829 | 17.5% | 9,070,111 | 8.3% |
| Total Current Liabilities | | 1,686,174 | 29.7% | 1,686,174 | 29.7% | 1,686,174 | 62.5% | 15,489,888 | 17.9% |
| Notes Payable - Long Term | | 497,757 | 30.7% | 497,757 | 8.8% | 497,757 | 18.4% | 54,778,051 | 50.2% |
| Deferred Taxes | | 0 | 0.3% | 0 | 0.0% | 0 | 0.0% | 1,747,104 | 1.6% |
| All Other Non-Current | | 0 | 4.0% | 0 | 0.0% | 0 | 0.0% | 4,559,527 | 4.2% |
| Total Non-Current Liabilities | | 497,757 | 8.7% | 497,757 | 8.8% | 497,757 | 18.4% | 61,083,682 | 56.0% |
| Total Liabilities | | 2,183,931 | 38.5% | 2,183,931 | 38.5% | 2,183,931 | 80.9% | 76,573,570 | 70.9% |
| Total Net Worth | | 3,495,566 | 23.1% | 3,495,566 | 61.5% | 3,495,566 | 19.1% | 28,553,995 | 26.2% |
| Total Liabilities to Net Worth | | 5,679,497 | 100.0% | 5,679,497 | 100.0% | 5,679,497 | 100.0% | 109,127,560 | 100.0% |
| Income Statement | | | | | | | | | |
| Net Sales | | 10,832,155 | 100.0% | 10,832,155 | 100.0% | 10,832,155 | 100.0% | 149,534,400 | 100.0% |
| Total Operating Expenses | | 10,575,431 | 92.7% | 10,575,431 | 97.6% | 10,575,431 | 97.6% | 143,912,965 | 96.2% |
| Operating Profit | | 256,724 | 7.3% | 256,724 | 2.4% | 256,724 | 2.4% | 5,621,435 | 3.8% |
| All Other Expenses/(Income), net | | 32,149 | 1.6% | 32,149 | 0.3% | 32,149 | 0.3% | 3,602,723 | 2.4% |
| Profit Before Taxes | | 224,575 | 5.7% | 224,575 | 2.1% | 224,575 | 2.1% | 2,018,712 | 1.3% |

Exhibit I6

Rhoads & Sincon
 Stambaugh v. SARAA
 Stambaugh Financial Statements
 w/ Elimination Entries
 Balance Sheet 12/31/2003, 12/31/2002, & 12/31/2000 - 12/31/1995

| Assets | Historical 12/31/2003 * | Elimination Entries | Adjusted 12/31/2003 | Historical 12/31/2002 * | Elimination Entries | Adjusted 12/31/2002 | Historical 12/31/2000 | Elimination Entries | Adjusted 12/31/2000 | Historical 12/31/1999 | Elimination Entries | Adjusted 12/31/1999 |
|--|----------------------------|------------------------|------------------------|----------------------------|------------------------|------------------------|--------------------------|------------------------|------------------------|--------------------------|------------------------|------------------------|
| Current Assets | | | | | | | | | | | | |
| Cash | 23,646 | - | 23,646 | 119,614 | - | 119,614 | - | - | - | 32,888 | - | 32,888 |
| Account Receivable | 737,699 | - | 737,699 | 1,040,392 | - | 1,040,392 | 1,637,219 | - | 1,637,219 | 1,223,607 | - | 1,223,607 |
| Excess of Billings on Uncompleted Contracts | | | | | | | | | | | | |
| Inventory | 453,413 | - | 453,413 | 455,134 | - | 455,134 | 557,157 | - | 557,157 | 483,312 | - | 483,312 |
| Current Maturity Long-Term Receivable | 59,312 | - | 59,312 | 78,018 | - | 78,018 | 6,750 | - | 6,750 | 6,750 | - | 6,750 |
| Prepaid Expenses | 888,929 | - | 888,929 | 149,976 | - | 149,976 | 570,072 | - | 570,072 | 41,243 | - | 41,243 |
| Security Bond | 593,289 | - | 593,289 | 634,047 | - | 634,047 | - | - | - | - | - | - |
| Due from Affiliated Companies | 2,756,288 | - | 2,756,288 | 410,207 | - | 410,207 | - | - | - | - | - | - |
| Work-in-progress | | | | | | | | | | | | |
| Total Current Assets | 768,456 | - | 768,456 | 2,887,388 | - | 2,887,388 | 2,771,198 | - | 2,771,198 | 1,787,800 | - | 1,787,800 |
| Property and Equipment | | | | | | | | | | | | |
| Land and buildings | 2,629,438 | - | 2,629,438 | 768,456 | - | 768,456 | 640,273 | - | 640,273 | 429,428 | - | 429,428 |
| Equipment and Vehicles | 443,504 | - | 443,504 | 2,625,837 | - | 2,625,837 | 3,579,156 | - | 3,579,156 | 3,483,125 | - | 3,483,125 |
| Leasehold Improvements | (3,175,576) | - | (3,175,576) | 443,504 | - | 443,504 | 467,818 | - | 467,818 | 467,818 | - | 467,818 |
| Less Accum. Deprec. and Amort. | 665,822 | - | 665,822 | (3,133,971) | - | (3,133,971) | (3,922,262) | - | (3,922,262) | (3,796,582) | - | (3,796,582) |
| Net Property and Equipment | | | | 703,826 | - | 703,826 | 764,985 | - | 764,985 | 583,789 | - | 583,789 |
| Other Assets | | | | | | | | | | | | |
| Account Receivable, LT | 232,985 | - | 232,985 | 234,983 | - | 234,983 | 605,696 | - | 605,696 | 187,241 | - | 187,241 |
| Long-term Note Receivable, net of current maturities | 3,476,620 | (3,476,620) | - | 3,461,543 | (3,461,543) | - | 219,711 | - | 219,711 | 2,980,218 | (2,980,218) | - |
| Note Receivable, Stockholder | 24,000 | - | 24,000 | 24,000 | - | 24,000 | 36,941 | - | 36,941 | 50,449 | - | 50,449 |
| Security Deposits | | | | | | | 90,000 | - | 90,000 | 90,000 | - | 90,000 |
| Investment in Real Estate | 3,733,605 | (3,476,620) | 256,985 | 3,720,526 | (3,461,543) | 258,983 | 4,416,483 | (3,464,135) | 952,348 | 3,307,908 | (2,980,218) | 327,690 |
| Total Other Assets | 7,155,715 | (3,476,620) | 3,679,095 | 7,311,740 | (3,461,543) | 3,850,197 | 7,952,666 | (3,464,135) | 4,488,531 | 5,679,497 | (2,980,218) | 2,699,279 |
| Total Assets | | | | | | | | | | | | |
| Liabilities and Stockholders' Equity | | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | | |
| Cash overdrafts | | | | | | | 69,918 | - | 69,918 | | | |
| Notes Payable, Current | | | | | | | 1,118,385 | - | 1,118,385 | 215,000 | - | 215,000 |
| Accounts Payable and Accrued Expenses | 62,764 | - | 62,764 | 136,158 | - | 136,158 | 1,596,735 | - | 1,596,735 | 999,345 | - | 999,345 |
| Payroll and Other Taxes Payable | 32,047 | - | 32,047 | 23,938 | - | 23,938 | 1,272,950 | - | 1,272,950 | 471,829 | - | 471,829 |
| Total Current Liabilities | 94,811 | - | 94,811 | 160,096 | - | 160,096 | 4,057,988 | - | 4,057,988 | 1,686,174 | - | 1,686,174 |
| Long-term Accounts Payable | | | | | | | | | | | | |
| Notes Payable, Net of Current Portion | 3,355,012 | - | 3,355,012 | 3,530,612 | - | 3,530,612 | 657,308 | - | 657,308 | 497,757 | - | 497,757 |
| Total Liabilities | 3,450,823 | - | 3,450,823 | 3,690,708 | - | 3,690,708 | 4,715,296 | - | 4,715,296 | 2,183,931 | - | 2,183,931 |
| Stockholders' Equity | | | | | | | | | | | | |
| Common Stock | 10,000 | - | 10,000 | 10,000 | - | 10,000 | 12,600 | - | 12,600 | 12,600 | - | 12,600 |
| APIC | 3,296 | - | 3,296 | 3,296 | - | 3,296 | 3,296 | - | 3,296 | 3,296 | - | 3,296 |
| Retained Earnings | 3,691,596 | (3,476,620) | 214,976 | 3,607,736 | (3,461,543) | 146,193 | 3,221,474 | (3,464,135) | (242,661) | 3,479,670 | (2,980,218) | 499,452 |
| Total Stockholders' Equity | 3,704,892 | (3,476,620) | 228,272 | 3,621,032 | (3,461,543) | 159,489 | 3,237,370 | (3,464,135) | (226,765) | 3,495,566 | (2,980,218) | 515,348 |
| Total Liabilities and Stockholders' Equity | 7,155,715 | (3,476,620) | 3,679,095 | 7,311,740 | (3,461,543) | 3,850,197 | 7,952,666 | (3,464,135) | 4,488,531 | 5,679,497 | (2,980,218) | 2,699,279 |

¹ Entry to reclassify Shareholder Receivable as Distribution to Shareholder
 * Financial Statements found in bankruptcy documents (not Audited Financial Statements)

Exhibit I6

Rhoads & Sinon
Stambaugh v. SARAA
Stambaugh Financial Statements
w/ Elimination Entries

Balance Sheet 12/31/2003, 12/31/2002, & 12/31/2000 - 12/31/1995

| Assets | Historical 12/31/1998 | Elimination Entries | Adjusted 12/31/1998 | Historical 12/31/1997 | Elimination Entries | Adjusted 12/31/1997 | Historical 12/31/1996 | Elimination Entries | Adjusted 12/31/1996 | Historical 12/31/1995 | Elimination Entries | Adjusted 12/31/1995 |
|--|--------------------------|------------------------|------------------------|--------------------------|------------------------|------------------------|--------------------------|------------------------|------------------------|--------------------------|------------------------|------------------------|
| Current Assets | | | | | | | | | | | | |
| Cash | | | | | | | | | | | | |
| Account Receivable | 1,848,425 | | 1,848,425 | 1,512,919 | | 1,512,919 | 24,011 | | 24,011 | 1,364,833 | | 1,364,833 |
| Excess of Billings on Uncompleted Contracts | | | | | | | 1,523,609 | | 1,523,609 | 1,628,187 | | 1,628,187 |
| Inventory | 531,971 | | 531,971 | 552,173 | | 552,173 | 509,354 | | 509,354 | 75,430 | | 75,430 |
| Current Maturity Long-Term Receivable | 13,500 | | 13,500 | | | | 6,701 | | 6,701 | 399,796 | | 399,796 |
| Prepaid Expenses | 235,487 | | 235,487 | 251,773 | | 251,773 | 233,950 | | 233,950 | 6,701 | | 6,701 |
| Security Bond | | | | | | | | | | 131,690 | | 131,690 |
| Due from Affiliated Companies | | | | | | | | | | | | |
| Work-in-progress | | | | | | | | | | | | |
| Total Current Assets | 2,629,383 | | 2,629,383 | 2,316,865 | | 2,316,865 | 2,297,625 | | 2,297,625 | 3,606,637 | | 3,606,637 |
| Property and Equipment | | | | | | | | | | | | |
| Land and buildings | 429,428 | | 429,428 | 429,428 | | 429,428 | 429,428 | | 429,428 | 421,528 | | 421,528 |
| Equipment and Vehicles | 3,410,402 | | 3,410,402 | 3,318,321 | | 3,318,321 | 3,127,520 | | 3,127,520 | 3,062,014 | | 3,062,014 |
| Leasehold Improvements | 467,818 | | 467,818 | 467,818 | | 467,818 | 461,818 | | 461,818 | 428,679 | | 428,679 |
| Less Accum. Deprec. and Amort. | (3,677,483) | | (3,677,483) | (3,539,021) | | (3,539,021) | (3,389,468) | | (3,389,468) | (3,278,931) | | (3,278,931) |
| Net Property and Equipment | 630,165 | | 630,165 | 676,546 | | 676,546 | 629,298 | | 629,298 | 633,290 | | 633,290 |
| Other Assets | | | | | | | | | | | | |
| Account Receivable, LT | | | | | | | | | | | | |
| Long-term Note Receivable, net of current maturities | 188,997 | | 188,997 | 195,796 | | 195,796 | 188,998 | | 188,998 | 188,998 | | 188,998 |
| Long Receivable, Stockholder | 2,414,741 | (2,414,741) | | 2,551,903 | (2,551,903) | | 2,733,030 | (2,733,030) | | 1,911,282 | (1,911,282) | |
| Security Deposits | 22,007 | | 22,007 | 55,857 | | 55,857 | 13,140 | | 13,140 | 13,140 | | 13,140 |
| Investment in Real Estate | 90,000 | | 90,000 | 90,000 | | 90,000 | 90,000 | | 90,000 | 90,000 | | 90,000 |
| Total Other Assets | 2,715,745 | (2,414,741) | 301,004 | 2,893,556 | (2,551,903) | 341,653 | 3,025,168 | (2,733,030) | 292,138 | 2,203,420 | (1,911,282) | 292,138 |
| Total Assets | 5,975,293 | (2,414,741) | 3,560,552 | 5,886,967 | (2,551,903) | 3,335,064 | 5,952,091 | (2,733,030) | 3,219,061 | 6,443,347 | (1,911,282) | 4,532,065 |
| Liabilities and Stockholders' Equity | | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | | |
| Cash overdrafts | 86,387 | | 86,387 | 90,250 | | 90,250 | | | | | | |
| Notes Payable, Current | 1,041,082 | | 1,041,082 | 884,970 | | 884,970 | 500,306 | | 500,306 | 223,306 | | 223,306 |
| Accounts Payable and Accrued Expenses | 1,276,586 | | 1,276,586 | 1,299,763 | | 1,299,763 | 1,625,188 | | 1,625,188 | 1,970,129 | | 1,970,129 |
| Payroll and Other Taxes Payable | 152,264 | | 152,264 | 68,714 | | 68,714 | 68,979 | | 68,979 | 277,337 | | 277,337 |
| Total Current Liabilities | 2,556,319 | | 2,556,319 | 2,343,697 | | 2,343,697 | 2,194,473 | | 2,194,473 | 2,470,772 | | 2,470,772 |
| Long-term Accounts Payable | 57,904 | | 57,904 | 168,034 | | 168,034 | 243,848 | | 243,848 | 363,848 | | 363,848 |
| Notes Payable, Net of Current Portion | 90,079 | | 90,079 | 314,197 | | 314,197 | 495,338 | | 495,338 | 714,644 | | 714,644 |
| Total Liabilities | 2,704,302 | | 2,704,302 | 2,825,928 | | 2,825,928 | 2,933,659 | | 2,933,659 | 3,549,264 | | 3,549,264 |
| Stockholders' Equity | | | | | | | | | | | | |
| Common Stock | 12,600 | | 12,600 | 12,600 | | 12,600 | 12,600 | | 12,600 | 12,600 | | 12,600 |
| APIC | 3,296 | | 3,296 | 3,296 | | 3,296 | 3,296 | | 3,296 | 3,296 | | 3,296 |
| Retained Earnings | 3,255,095 | (2,414,741) | 840,354 | 3,045,143 | (2,551,903) | 493,240 | 3,002,536 | (2,733,030) | 269,506 | 2,878,187 | (1,911,282) | 966,905 |
| Total Stockholders' Equity | 3,270,991 | (2,414,741) | 856,250 | 3,061,039 | (2,551,903) | 509,136 | 3,018,432 | (2,733,030) | 285,402 | 2,894,083 | (1,911,282) | 982,801 |
| Total Liabilities and Stockholders' Equity | 5,975,293 | (2,414,741) | 3,560,552 | 5,886,967 | (2,551,903) | 3,335,064 | 5,952,091 | (2,733,030) | 3,219,061 | 6,443,347 | (1,911,282) | 4,532,065 |

¹ Entry to reclassify Shareholder Receivable as Distribution to Shareholder
* Financial Statements found in bankruptcy documents (not Audited Financial Statements)

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Charles L. Kern is Chairman and CEO of Kern and Company, P.C. Founded in 1980, the firm serves the Eastern and Central Pennsylvania market. Charles is a CVA (Certified Valuation Analyst), CFA (Certified Fraud Auditor), AEP (Accredited Estate Planner), and ABV (Accredited Business Valuator) in addition to being a CPA.

Charles began his career as a management consultant and auditor in the Philadelphia office of the international accounting firm of Ernst & Young. While at Ernst & Young, he was a member of the audit/consulting teams doing work for, among others, the Federal Reserve Bank of Philadelphia, the Philadelphia School District, and the United States Army Defense and Readiness Command. His years of public accounting experience are complemented by several years in which he served as controller and treasurer of a Central Pennsylvania manufacturing firm.

He has both a Master of Business Administration degree and a Bachelor of Science degree from the Pennsylvania State University.

Charles is a published author with articles in the Central Penn Business Journal, The Valuation Examiner, Builder-Architect Magazine, and The Journal of Forensic Accounting. He instructed junior, senior, and graduate accounting students at Penn State's Harrisburg Campus for twelve years, where he taught advanced level courses in auditing, taxes, and accounting. Charles is frequently called upon to address groups of commercial loan officers at Citizens Bank, Fulton Bank, Pennsylvania State Bank, Legacy Bank, Sovereign Bank, Commerce Bank, Wachovia Bank, M&T Bank, Mid Penn Bank, and PNC Bank on a wide variety of topics.

He is an active member of the American and the Pennsylvania Institutes of CPAs (PICPA), the National Associations of CVA (NACVA), and the Central Pennsylvania Estate Planning Council. He is a member of the PICPA's statewide committee on Continuing Professional Education, member and past chairman of the PICPA's committee on Forensic & Litigation Services, chairman of the PICPA's committee on Business Valuation services, and chairman of the board of trustees of the PICPA's Insurance Trust. He is on NACVA's Committee on Recertification. He is an editor of the International Handbook on Business Valuation. He is a member of the Board of Directors of: Drug Free Pennsylvania, the Mechanicsburg Home for Children, the Central Pennsylvania Center for Independent Living, and The World's Forgotten Children's Foundation.